March 8, 2024

Mr. Will Seuffert
Executive Secretary
Minnesota Public Utilities Commission
121 East Seventh Place, Suite 350
St. Paul, MN 55101-2147

RE: In the Matter of Great Plains Natural Gas Co.'s Petition for Approval of a New Rate Schedule "Renewable Natural Gas Producer Access and Interconnection Service Rate 87"

Dear Mr. Seuffert,

The Coalition for Renewable Natural Gas (RNG Coalition) offers the following comments in response to the Great Plains Natural Gas Company's (Company) proposed new rate schedule for interconnection of renewable natural gas (RNG) facilities (Proposal),[1] currently under consideration by the Minnesota Public Utilities Commission (MPUC) in Docket 24-73.

RNG Coalition is the trade association for the renewable gas industry in the United States and Canada. Our diverse membership is comprised of leading companies across the supply chain of renewable gas technologies and end-uses. Together we advocate for the sustainable development, deployment, and utilization of renewable gas, so that present and future generations have access to domestic, renewable, clean fuel and energy in Minnesota and across North America.

Our organization is primarily focused on renewable gas derived from organic waste feedstocks which can achieve compound benefits through (1) the displacement of anthropogenic carbon dioxide (CO_2) emissions from the combustion of fossil fuels, (2) the critical near-term GHG impact of methane capture and destruction, and (3) additional air and water benefits that result from the improved management of organic waste. Recycling organic material in this manner continues to grow as a key strategy for achieving a circular economy.

Importantly, RNG Coalition's membership includes both RNG producers and gas utilities—including Minnesota-based companies. Our organization advocates for fairness on both sides of issues such as project interconnection.

Feedback on the Company's Interconnection Proposal

RNG Coalition understands and supports the conceptual goal of developing standards that are broadly applicable to all RNG supply. However, to ensure there are not unintended barriers to RNG projects, we also strongly recommend allowing for maximum flexibility for collaboration between the project developer and pipeline utility on a project-by-project basis.

As a general matter, stakeholders in this proceeding should consider the Gas Technology Institute's Final Report for the Northeast Gas Association dated August 2019, entitled *Interconnecting Guide for*

[1] See the Company's petition, here.

Renewable Natural Gas in New York (GTI/NGA Report).[2] This document is regarded as the leading resource on RNG interconnection policy, and was created through a collaborative dialogue between project developers and gas utilities. The document was intended as an educational guidance—a tool to bring utilities and developers together, to discuss the specific needs of their pipeline and project based on the capacity and point of interconnect.

Based on the principles outlined in the GTI/NGA Report and RNG Coalition's previous work on CenterPoint Energy's RNG interconnection tariff, we do not oppose the Company's Proposal, but recommend that the Company and MPUC consider the following before approval:

Interconnect Pricing Requirements

We question the method used to establish interconnect pricing in the Proposal and believe that the $260 per month Access Fee, the $0.8189 per therm Access Commodity Charge, and $5,100 per month Maintenance Fee will likely exceed the Company's true costs for interconnecting and moving RNG through its system. While these types of charges are commonly included in interconnection agreements, the Access Commodity Charge in particular appears to be higher than average. For a reasonably sized landfill producing 750,000 dekatherms per year, these requirements would add over $678 thousand in costs per year and $13.5 million over 20 years.[3] The material provided in the Proposal is not sufficiently transparent to demonstrate the appropriateness of such charges.

Up-Front Construction Payments

We recommend that the Company revise its requirement that RNG producers pay an up-front sum equal to the total estimated interconnection construction costs. At minimum, the RNG producer and Company should have the ability to negotiate a payment schedule for such costs (e.g., coinciding with different phases of construction). The Company should also consider revising the tariff to an approach consistent with CenterPoint Energy's "exit fee" model. This concept was addressed by the Department of Commerce and CenterPoint Energy in CenterPoint Energy's interconnection service petition. The final version reads as follows:

"If Customer suspends RNG production, Customer will pay an exit fee equal to the total cost of installing the RNG facilities, including main to connect to CenterPoint Energy's distribution system, and any costs for removal of facilities, less the initially paid contribution-in-aid-of-construction; any depreciation of facilities that has occurred between time of project inception and suspension of RNG production; and any cost for infrastructure that is utilized by other customers." [4]

Company's Proposal in the Context of Other RNG-Related Discussions in Minnesota

1. *How should the Commission consider Great Plains' proposal within the context of other renewable natural gas (RNG)-related dockets?*

[2] See *Interconnect Guide for Renewable Natural Gas in New York State,* here.

[3] This estimate doesn't take into account the monthly meter charge and proposed interconnection fee, which would result in additional costs.

[4] See "Exhibit A" within CenterPoint's revised tariff, here.

2. *How should the Commission consider Great Plains' proposal within the context of statewide greenhouse gas reduction goals, as stated in Minn. Stat §216H.02 Subd. 1?*
3. *How should the Commission consider lessons learned from other dockets, such as Docket No. G999/CI-21-566 regarding Lifecycle Greenhouse Gas Emissions Accounting for natural gas innovation plans under Minn. Stat. § 216B.2427, to assess Great Plains' petition?*
4. *How should the Commission consider Great Plains' proposal in the context of the evolving RNG market nationally?*

RNG Coalition appreciates MPUC's consideration of interconnection issues within the context of Minnesota's broader decarbonization goals and ongoing discussions surrounding renewable gas in front of the Commission. Our organization has long been engaged in these discussions, including—in chronological order—CenterPoint Energy's petition to introduce a RNG pilot program;[5] CenterPoint Energy's petition to introduce an RNG tariff;[6] the establishment of carbon accounting frameworks under the Natural Gas Innovation Act (NGIA);[7] and CenterPoint Energy's inaugural Natural Gas Innovation Plan.[8] We are party to a number of other related dockets, including those regarding gas sector decarbonization[9] and resource planning in Minnesota.[10]

RNG Coalition recognizes that reaching the state's decarbonization goals will require extensive planning around energy infrastructure, and further analysis of the resources which may be deployed to reach these goals. However, based on previous work conducted in Minnesota, as well as more extensive work conducted in other prominent jurisdictions focused on climate policy, it is a given that renewable gases—including RNG—will play a long-term role as part of the global energy economy. With this in mind it is prudent for MPUC and the Company to establish interconnection processes pursuant to the Company's proposal.

At a high level, renewable gases are an important near-term decarbonization strategy for all applications which currently utilize fossil-derived fuels and, in the long-term, will be necessary in energy applications which are not well-suited to electrification, and as platform molecules for other fuels and products. Minnesota's potential to produce RNG from anaerobic digestion sources (landfills, animal manure, wastewater treatment, and food waste) is on the order of 12.412-22.847 tBtu/year.[11] This potential reinforces the fact that Minnesota can deploy a significant amount of RNG and that supporting the growth of proven technologies like RNG as part of the state's climate change mitigation strategy will help to position Minnesota as a leader in decarbonization.

RNG Coalition is able to provide additional information regarding the role of renewable gas in Minnesota if that would be helpful to inform stakeholders in this docket.

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[5] See RNGC comments in Docket G-008/M-18-547.

[6] See RNGC comments in Docket G-008/M-20-434.

[7] See RNGC comments in Docket G999/CI-21-566.

[8] See RNGC comments in Docket G-008/M-23-215.

[9] Docket G999/CI-21-565.

[10] Docket G008,G002,G011/CI-23-117.

[11] American Gas Foundation, *Renewable Sources of Natural Gas: Supply and Emissions Reduction Assessment*, 2019 https://gasfoundation.org/wp-content/uploads/2019/12/AGF-2019-RNG-Study-Full-Report-FINAL-12-18-19.pdf

Conclusion

RNG Coalition appreciates the opportunity to participate and provide comment in this proceeding as our members are actively operating and working to construct new RNG facilities in Minnesota. We thank the Company and MPUC for their leadership in developing standards for RNG interconnection.

Sincerely,

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